

ISSUES FRAMED FOR HEARING IN THE MATTER OF PETITION FILED BY ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED (IESCO) FOR THE DETERMINATION OF ITS CONSUMER-END TARIFF PERTAINING TO THE FY 2015-16 TO 2019-20 UNDER MULTI-YEAR TARIFF REGIME.

For the purpose of hearing the following issues may be framed to be considered during the hearing and for presenting written as well as oral evidence and arguments: -

1. Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2014-15.
2. Whether the petitioner's projected energy purchases & energy sales for the FY 2015-16 to FY 2019-20, is reasonable?
3. Whether the petitioner's proposed DIIP focuses on reduction of T&D losses from current 9.41% (FY 2014-15) to 9.31% (FY 2019-20) are justified?
4. Whether the petitioner's projected power purchase cost for the FY 2015-16 to FY 2019-20, is justified?
5. Whether the petitioner's reference O&M cost of for the FY 2015-16 is justified for future adjustments till FY 2019-20?
6. Whether the petitioner's reference depreciation charge for the FY 2015-16 is justified for future adjustments till FY 2019-20?
7. Whether the petitioner's reference Return on Regulatory Asset base based on projected rate of return of 18.85% for FY 2015-16 is justified for future adjustments till FY 2019-20?
8. Whether the Petitioner's requested 19% floor on equity, is justified?
9. Whether the Petitioner's requested 05 year PIB MYT at October 08 2015 is justified?
10. Whether the Petitioner's requested beta of 1.44 based on averaging of foreign listed companies is justified?
11. Whether the Petitioner requested cost of debt as per actual is merit consideration?

12. Whether the Petitioner request for 'one time' adjustment as a result of private participation to adjust fixed asset based is merit consideration?
13. Whether the Petitioner request for one-time adjustments for the following in the event of any potential private sector participation is merit consideration?
 - Revision of T&D loss target
 - Amendments/Revision to the DIPP
 - Reassessment of cost of debt
 - Fixed assets base used for calculation of RORB and Deprecation
14. Whether the petitioner's projected other income for the FY 2015-16 to 2019-20, is reasonable?
15. Whether the petitioner's proposed Investment plan for the FY 2015-16 to FY 2019-20, is justified, keeping in view the prospective benefits?
16. Whether the prior year adjustment calculated by IESCO of Rs. (1,037) Million for the FY 2015-16 is accurate?
17. Whether the proposed revenue requirements and average sale rate for FY 2015-16 to FY 2019-20, is justified?
18. Whether setting efficiency factor X not be more than 10% of the CPI after 3rd year of tariff control period is justified?
19. Whether creation of two more circles, 11 divisions and 39 sub-division, is justified?
20. Whether the additional hiring of 10,304 under different cadres by the end of FY 2019-20, is justified?
21. Whether the repair & maintenance cost to be determined via "k" factor, capped at 2.25% of net opening fixed assets, is justified?
22. Whether the "Z" factor requested by the Petitioner to cover damages caused by natural disasters, is merit consideration?
23. Whether the Petitioner request to reduce AJK tariff from Rs. 12.77 per kWh to Rs. 9.80 / kWh, is justified?
24. Whether the Petitioner request to allow KIBOR + 400-300 basis point on delayed TDS to cover cost of financing / opportunistic cost is merit consideration?

25. What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?
26. Whether there is any major deviation in the petition from the NEPRA guidelines for determination of consumer-end tariff (Methodology & Process) notified vide SRO. 34(I) 2015 dated 16.01.2015?
27. What is the financial impact / loss of revenue due to TOU metering for cellular company connections and other similar connections?
28. What is the criteria considered by the petitioner for segregation between controllable and un-controllable costs?
29. Whether there should be any penalty as a cut on Distribution Margin (D.M) if desired level of performance standards is not achieved by the Petitioner?
30. Whether there should be any mechanism for sharing of profits/benefits by the Petitioner with the consumers if the petitioner performance exceeds the desired level?
31. What is the financial impact / loss of revenue due to TOU metering for cellular company connections and other similar connections?
32. Whether the concerns raised by the intervener / commentator are justified?
33. What are the concerns of the Petitioner on the application of domestic tariff for Government office, educational institutions and mosques?
34. Any other relief sought by the petitioner.

The issues with respect to the IGTDP submitted by the petitioner if any will be uploaded soon.